



CITY OF SUNNYVALE REPORT Planning Commission

August 9, 2004

SUBJECT: **2004-0576** – Fourth Quarter Properties (Partnership Common Names: Forum Development Group, Lehman Brothers and Standard Pacific Homes [Applicant] Target Corporation, WL Partnership, Sun Town Center Properties Corp. (Macy's), Sunnyvale LLC (Mall), and Sunnyvale Redevelopment Agency [Property Owners] application for the redevelopment of 2502 Town Center Lane (Town Center Mall) with a new open-air mixed use shopping district. APN: 209-34-009, 209-34-010, 209-34-016, 209-34-017, 209-34-018, 209-35-001, 209-35-005, 209-35-010, 209-35-011, 209-35-012 and 209-35-007.

Motion: **2004-0576-** Special Development Permit for site plan, design and use approvals to allow the construction of up to 1,000,000 square feet of commercial space, 275,000 square feet of Office space, and 292 housing units.

REPORT IN BRIEF

Existing Site Conditions Developed site including: Town Center Mall with department stores and associated parking structures plus three other developed properties

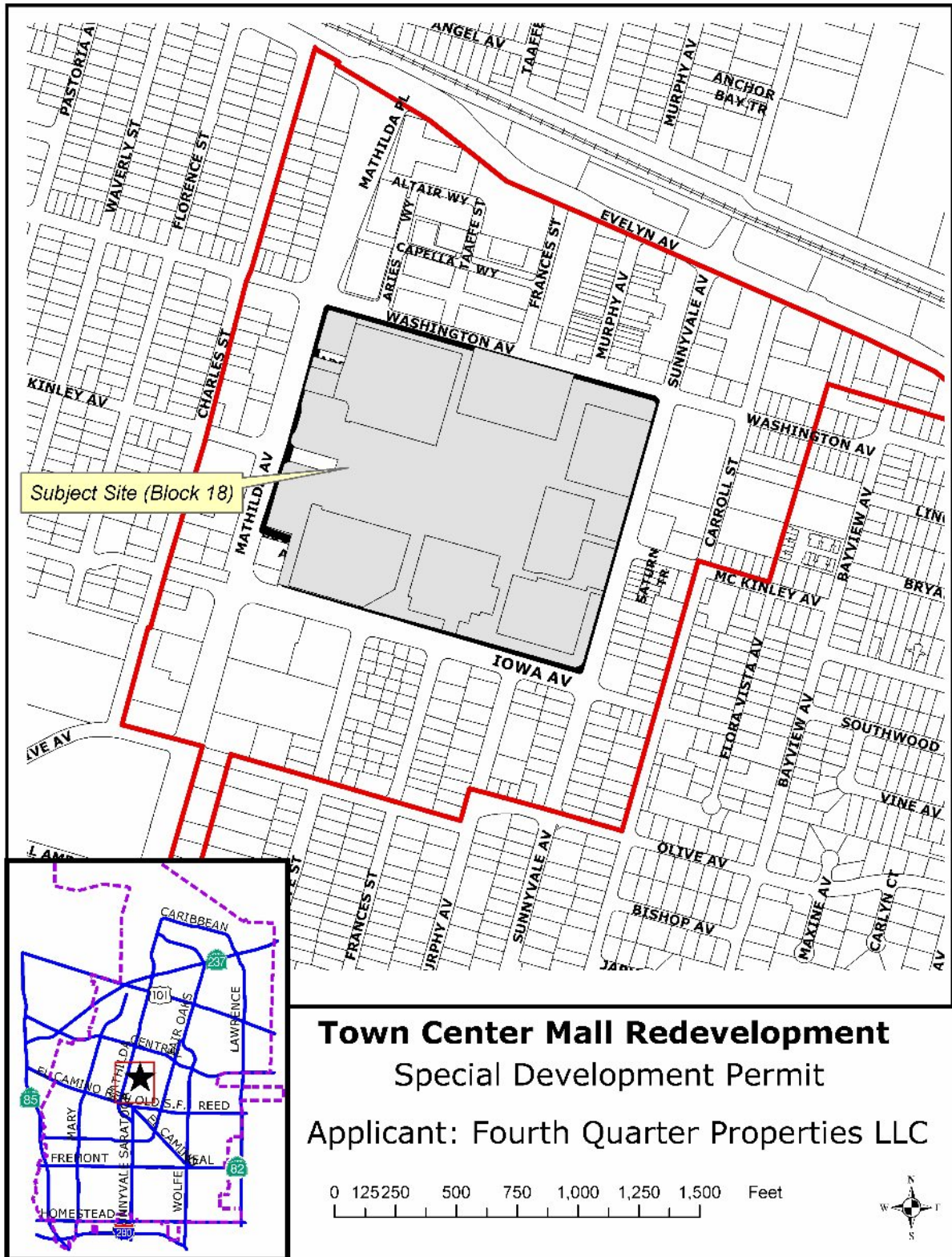
Surrounding Land Uses

North	(across Washington) Town and Country, 100 Block South Murphy Avenue (retail/entertainment)
South	(across Iowa) Primarily Residential with some office and other commercial uses
East	(across Sunnyvale) Mixture of small businesses and residential
West	(across Mathilda) Office, retail, residential

Issues Architectural design, parking, mix of uses

Environmental Status A Mitigated Negative Declaration has been prepared in compliance with California Environmental Quality Act provisions and City Guidelines tiering from the previously certified Downtown Improvement Program Update Final EIR.

Staff Recommendation Approve the application with conditions, including the filing of a Tentative Map application, Vacation of Barson Terrace, and resubmittal of final design details of specified areas for review by the Planning Commission.



PROJECT DATA TABLE

	EXISTING	PROPOSED	REQUIRED/ PERMITTED
General Plan	DSP	Same	
Zoning District	DSP 18	Same	---
Lot Size (acres)	36.5	36.5	min.
Gross Floor Area (s.f.)	Mall w/majors 698,339 "Chevy's " Building 12,537 WHL Building 8,776 TOTAL 719,652	Commercial* (Max.) <i>1st Floor 443,251</i> <i>2nd Floor 154,756</i> <i>Designated Outdoor</i> <i>11,339</i> <i>Cinema 59,217</i> <i>Macy's/Target</i> <i>330,437</i> Total 1,000,000 Office 275,000	max. Commercial 1,007,876 Office 282,000
Lot Coverage (%)	62%	75%	Per SDP max.
RESIDENTIAL			
No. of Units	0	292	292 max.
Density (units/acre)	0	8	8 max.
Meets 75% min?	---	yes	219 min.
No. of BMR Units	---	37	12.5% (37 units)
Bedrooms/Unit	---	20% 1 bedroom 60% 2 bedroom 20% 3 bedroom	---
Unit Sizes (s.f.)	---	850-1900	N/A
Lockable Storage/Unit	---	undetermined	300 cu. ft. min.

	EXISTING	PROPOSED	REQUIRED/ PERMITTED
No. of Buildings On-Site	8 Buildings - Mall - Target - Macy's - JC Penney - WHL - Chevy's - Target Parking Structure - Parking Deck 2 levels	20 Buildings 3-Mathilda 2-Target, Macy's 3-Redwood Square 5-McKinley 3-Washington 4-Parking Structures	---
Building Height (ft.) <i>See Attachments 5,6</i>	Varies <i>Macy's and Target typify entire Mall at estimated 42 feet and 45 feet respectively.</i>	Varies Cinema 80 (top of parapet, not architectural features) Redwood Sq. "City Hall" 53 Sunnyvale/Washington 44 Mathilda Office 65-75 Iowa Double-Stacked Town Homes 55 McKinley Mixed-Use 65 south, 72 north	75 max. <i>(5 stories)</i> Cinema 80
No. of Stories	2	Varies 2-5	5 max.
Setbacks No setbacks are required for Block 18. Parking Deck "C" has a five-foot setback along Sunnyvale Avenue and the residential town homes along Iowa vary between 10-15 foot setbacks. All other new construction is to be built at the property line or sidewalk edge.			
Landscaping (sq. ft.)			
• Landscaping Total		419,358	Per SDP min.
• Vegetative	47,000	183,775	
• Hardscaped		235,583	
• Landscaping/Unit (Res. Situated Only)	---	Estimated 125 <i>(Courtyard areas 36,500)</i>	Per SDP min.
• Usable Open Space/Unit (sq. ft.)		Estimated Average 98	50 min.
• Water Conserving Plants (%)	Unknown	Unknown	70% min.
Parking			
• Total No. of Spaces	3,680	5,651	Per SDP min.
• No. of Underground	225	1,675	Per SDP min.

	EXISTING	PROPOSED	REQUIRED/ PERMITTED
• No. Surface	670	215	Per SDP
• No. of Accessible	Unknown	36	61 min.
• Driveway Aisle Width (ft.)**	26	24	Commercial 26 min.
• Bicycle Parking	Unknown	Undetermined	Per SDP Min.
Stormwater			
• Impervious Surface Area (s.f.)	1,542,241	1,406,165	no min.
• Impervious Surface (%)	97%	95%	no min.

**Note, specific development plans will have slightly different square footages of uses, the above table entries reflect maximum intended development intensities*

****Requested Deviation**

ANALYSIS

Background

The subject Town Center Mall site was the original redevelopment project for the City of Sunnyvale and was approved in 1979. The mall has existed in its current configuration of three major retailers and the in-line mall tenants since the approval of the JC Penney addition in 1993. The most recent addition to the site was construction of the Parking Structure "D" (next to Target) completed in 2002. This parking structure was part of a large project for revitalization of the mall put forth by the American Mall Properties. JC Penney closed its operation in early 2003 and the in-line mall section was closed in August of 2003. The Macy's and Target stores are currently open and operating.

The proposed redevelopment project, commonly known as the Forum project, was originally submitted as a General Plan Amendment and Special Development Permit on August 7, 2004. Subsequent delays to the project involved difficulties in obtain all property owner signature approvals for a complete application, selection of a housing developer (Standard Pacific Homes) and additional design modifications. During the past year the General Plan Amendment request was separated from the project and processed separately. City Council approved an increase in housing units (200 to 292) and office square footage (202,000 to 282,000) on July 13, 2004. A complete application for the Special Development Permit, including the final property owner authorization of Macy's, was submitted on July 13, 2004.

Previous Actions on the Site: The following table summarizes previous planning applications related to the subject site.

File Number	Brief Description	Hearing/Decision	Date
2003-0613	GPA intensify development potential to 292 housing units and 282,000 sq ft office	City Council/Approved	July 13, 2004
1998-1120 (Not completed)	SDP and other associated permits for AMP Town Center Mall Expansion	City Council/Approval	March 11, 1999
	Development of the original mall and associated parking structure.	City Council/Approved	March 1, 1978

Description of Proposed Project

The project includes the demolition of the existing Town Center Mall, commercial buildings at the intersection of Washington Avenues and Mathilda Avenues, and parking structures leaving only the Macy's, Target, and new Parking Deck D parking structure. The proposed new construction and improvements provide for a recreated street grid, a mixed use project of 292 residential units, generally situated above retail, 275,000 square feet of office space above retail, and 1,000,000 square feet of commercial retail and entertainment uses, including a 16-screen cinema. Parking is provided throughout the project with both on-street parking and four large parking garages located at the four corners of the site for a total supply of 5,651 spaces. The project covers all of Block 18, except for the 0.48 acre Bank of the West site that is currently developed with a 6200-7000 square foot building.

Reading Plans

Please note that when reviewing attachments of the site plan and building plans that the "Levels" refer to parking levels, not stories of buildings. Building stories vary in height dependent on the type of use (retail, residential, office). Parking levels have a lower standard floor to ceiling height than stories of a building; therefore, multiple levels can be accommodated within the same height envelope of a building story. The plans also reference height as measured from actual ground elevation values rather than an absolute height method that uses ground level as zero feet. The elevation value method is better representation of the elevation changes across the site. However, some more recent housing elevations will call out an absolute height measurement. Also note that the project description for square footage of different uses may vary from those noted in the Project Data Table. The project analysis by Staff is based upon the maximum numbers discussed in the Project Data Table, not data from Attachment 4 Site Plan sheet 7.

Project Issues

The project is a complex multi-faceted mixed-use project involving over 1.6 million square feet of gross floor area of buildings with 5,651 parking spaces. The project review entails pertinent analysis of uses, site plan, and

architecture. Although a complete discussion of the project follows, Staff highlights the following as some of the noteworthy issues for the project in an effort to focus discussion:

- **McKinley Avenue Parking:** Angled vs. Parallel (*additional supply, safety, easy access, character, wide/narrow streets*)
- **Redwood Square** (*design, layout, character, architecture*)
- **Cinema Overhang on McKinley**
- **Murphy Avenue Extension** (*layout, character, building architecture*)
- **Sunnyvale Parking Structure(Deck "C")**(*capacity, functionality, architecture*)

Environmental Review

The subject project is located within the boundaries of the previously certified Downtown Improvement Program Update Final EIR (2003). A Mitigated Negative Declaration (MND) was prepared in compliance with the California Environmental Quality Act provisions and City Guidelines tiering from the previous Final EIR. The EIR considered the impacts of development for buildout of the downtown, including the types and maximum intensity of uses for Block 18. These effects of buildout are discussed in terms of cumulative impacts of development and include such issues as traffic volume, cultural resources, and air quality to name a few. The certified Final EIR includes mitigations that address the potentially significant impacts identified in the EIR analysis and are applicable to all future development in downtown.

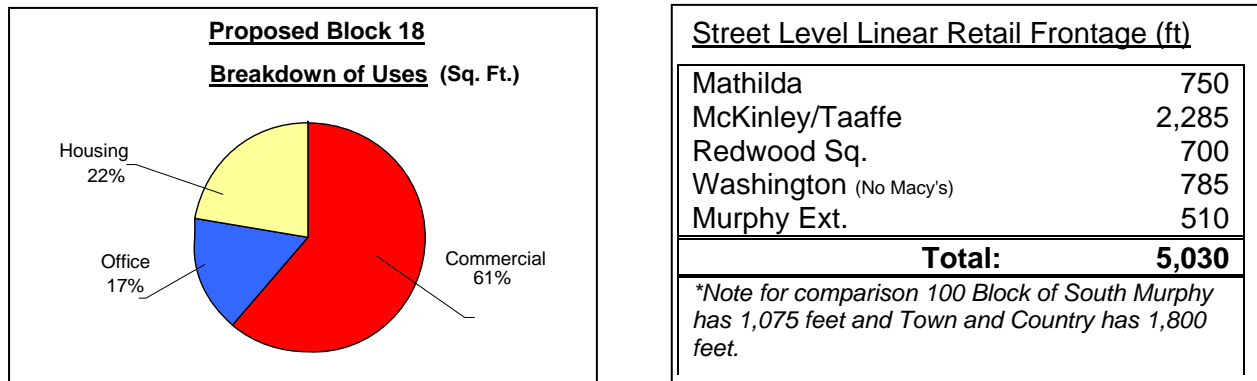
The EIR was not able to address project specific impacts for a particular development proposal. The variety of site-specific configurations available within the maximum limits identified for Block 18 would have been speculative if addressed in the EIR. Issues addressed in the MND include the proposed on-site circulation pattern, parking, land use pattern, public utility capacity, aesthetics, and preservation of Heritage Resources (6 redwood trees). In addition to the applicable EIR Mitigation Monitoring Program, two additional specific mitigations were incorporated into the MND to address the tree preservation measures for the six redwoods during demolition and construction and the provision of a traffic signal at the reconfigured intersection of Murphy Avenue and Washington Avenue. (*See Attachment 3, Initial Study and Attachment 2 Conditions of Approval (COA) EM 1 & 2*)

Special Development Permit

Use: Block 18 of the Downtown Specific Plan (DSP) is described as part of the Commercial Core of the Downtown which includes Blocks 1,1a,2,12,18, and 20. The District has two articulated goals of linking the different blocks of the downtown and to providing for lively street life on all primary streets. Further refinement of the district details is described on a street-by-street basis for the Commercial Core. In regards to the distribution and types of uses, Block 18 encourages conversion to an open outdoor shopping district with increased pedestrian and vehicle connectivity. Ground floor uses should primarily be

retail, restaurant, and entertainment with engaging activities and focal points located at the corners and more passive uses of lobbies located at mid-blocks.

The proposed development is a true mixed-use development with both vertical and horizontal component integration of office, retail, entertainment, and housing. The reconnected street grid and extensive ground floor commercial uses do in fact achieve the DSP goal of creating an open outdoor shopping district and the proposed housing will spur activity downtown for both night and daytime uses as envisioned in the DSP.



Housing- 292 Total Units

(Preliminary: 20% 1 bedroom, 60% 2 bedroom, 20% 3 bedroom)

- McKinley (South Side): 104 Units
- Washington (Aries to Taaffe): 24 Units
- Iowa (Mathilda to Taaffe): 22 Units
- McKinley (North Side): 124 Units
- Iowa (Target Garage Wrap): 18 units

A variety of housing styles ranging in size from 850-1900 square feet are proposed by the applicant with the intent of 100% "for-sale" individual ownership for all housing units. A Subdivision Map is recommended as a condition of approval of the project (COA G5) to allow ownership housing, which will require a subsequent application review and public hearing. As part of the Subdivision Map process a Home Owners Association would be created for administration of common interests in the development. A probable deviation to minimum lot size is anticipated for the creation of the individual lots and is acknowledged as part of this permit.

Per Zoning Code standards, two parking spaces per unit are provided within either a two-car garage accessed through the parking structures or via a speed ramp to underground parking that has restricted access. Residential guest parking is not required per the Zoning Code for this type of project, but staff has recommended and the applicant has provided 0.25 guest parking spaces per housing unit. Three quarters of the guest spaces are incorporated into the general availability shared parking of the structures and one fourth is included in the restricted residential access areas. Typically visitors would then enter the buildings from one of multiple lobbies located on the ground floor of the

buildings through a secured entrance. Planned on-street parking along Iowa Avenue was not factored into the parking supply for the site.

The proposed housing units are within the maximum intensity of 292 units for Block 18. The 292 housing units will include 12.5% (37) Below Market Rate units. The usable open space per unit is required as 50 square feet per unit with an adequately sized balcony generally satisfying this requirement. Most units have usable balconies with some units including patios and terraces. The multiple internal courtyard areas of the McKinley "Flats" buildings equals approximately 20,000 square feet, which exceeds the minimum standard of 50 square feet per unit requirement. The Downtown Specific Plan does not have additional obligations for size, location, or type of housing to be provided on the site.

Office- 275,000 square feet

The applicant proposes approximately 275,000 square feet of Class A office space for the Mathilda Avenue frontage of the site. The office space is located above ground floor retail with intentions of being leased to tenants. Subdividing the space to create individual ownership is not precluded. The office uses are primarily intended to be of multiple-tenant design targeted towards small businesses, rather than the larger users envisioned for the adjacent Mozart office buildings in Block 1. The applicant has indicated that large office space users prefer stand-alone or exclusive use buildings that do not have retail or other uses throughout the ground floor. The corner office building located at the intersection of Mathilda Avenue and Washington Avenue may lend itself to be occupied by a single tenant due to its location and design despite the intention of having ground floor retail.

Small office uses and individual tenants are defined as ranging in size from 1,200 square feet to 10,000 square feet by the applicant. To maintain flexibility on attracting potential tenants, no restriction on maximum tenant size or prearranged configuration is proposed. The parking designed for the office users is located in the underground portions of the parking decks. These spaces are not designed for reserved access and may be used throughout the day and night by all patrons of the shopping district and downtown. Elevator lobbies exist within the parking garages as well as along the street for employee and customer access.

The adjacent Bank of the West building is not part of the project and has approximately 7,000 square feet of floor area. The proposed 275,000 square feet of office within this project combined with Bank of the West is within the maximum intensity of 282,000 square feet for Block 18. The uses allowed for the above ground floor office in Block 18 would include, for example, administrative, professional, medical, R&D, and financial uses. Staff has concerns regarding potential large-scale medical office uses or cumulative small medical office users and their impact on shared parking demand.

Therefore, Staff is recommending a condition of approval (COA G9c2) that medical office be restricted initially to 10% of the office floor area with additional floor area up to 40% requiring approval of a MPP. It should also be noted that a Transportation Demand Management Program (TDM) for the office component is included as a condition of approval as an EIR mitigation measure. The TDM peak hour trip reduction is established at 15%. The Downtown Specific Plan does not have additional obligations for size, location, or type of office uses.

Commercial- 1,000,000 square feet

A variety of commercial uses are contemplated for the project site. The project will include both ground floor retail and selected 2nd-story retail, an enclosed food court, various restaurants, entertainment (clubs, bars), up to a 16-screen cinema with 2,950 seats, and a fitness facility. Due to parking demand and Department of Public Safety concerns about the intensity of people and operations on the site with the commercial uses, the applicant has proposed to limit the floor area for restaurant uses to 70,000 square feet. In accordance with Fehr and Peers parking analysis, staff finds that the food court of the project does not draw additional customers, but instead serves the retail customers and therefore would not count towards the restaurant limitation.

Establishments serving beer and wine will be permitted through approval of Miscellaneous Plan Permits and establishments with an on-sale general liquor license (consumed on-site) will require review of a Special Development Permit to ensure an appropriate mix and concentration of uses, taking into consideration the existing levels of use on 100 Block of South Murphy Avenue. As a condition of approval for establishments serving alcohol, a master plan of operations for Block 18 that may include staggered closing times is likely to be required of future permits in an effort to control the numbers of people that are released at one point late in the evening. This addresses, in part, Department of Public Safety concerns on concentration of persons late at night in the downtown. Amusement oriented uses with no alcohol service, including the Cinema, would also be included in a master operations plan.

Primary outdoor uses for the shopping district are factored in the gross floor area of 1,000,000 square feet. Primary outdoor uses are defined by Staff as areas designated on a permanent or semi-permanent basis for an outdoor commercial activity as a part of the core operations or services, such as restaurant dining or retail kiosks. Incidental outdoor uses are the "spillover" uses that liven up sidewalks and streetscapes. These incidental uses would include minimal merchandising, café seating, or outdoor dining similar to the 100 block of South Murphy. These types of uses do not have significant increased customer draw and are not part of the core operations of the business. For this project, Staff has estimated the 2nd story open-air dining balcony on the eastside of the Redwoods, the "crystal café" and associated seating in the Redwood Square on the ground floor, and the potential seating

areas around the octagonal building at the intersection of Taaffe and Washington as the primary outdoor uses; they equal approximately 11,000 square feet of the total commercial gross floor area. There is no estimate of incidental outdoor uses for the project.

Open/Public Spaces

Redwood Square

The primary open space proposed for the development is the centrally located plaza surrounding the six heritage resource redwood trees. These trees are designated for preservation as part of the Mitigated Negative Declaration. The configuration and use of this site has been a focal point of discussion for the community over the past year. Presently, the "square" area is approximately 34,000 square feet between the edges of the covered walkways and the north curb line on McKinley. This area would be retained as private property controlled by the shopping district operator and intended for public use.

The preliminary details of the area include the presence of a small café, presumably outdoor seating areas, an elevated grass turf area around the redwoods (*severe grade change on this part of site may require a stabilized base to preserve the trees*), a performance stage, and a piece of artwork that is potentially a water feature. The commercial businesses surrounding the square will be 1st and 2nd story uses that include a dining area overlooking the square from the eastside. Macy's will maintain a southern entrance through the Redwood Square.

Murphy/Washington Corner

An original element of the conceptual Downtown Design Plan was the extension of Murphy Avenue south of Washington Avenue, through what is now the surface parking lot east of Macy's. This extension was recognized as a principal component of the plan and was incorporated into the approved 2003 DSP. With the extended street in place, parking would be concentrated in a new parking structure east of the street alignment, leaving a unused strip of land approximately 90 feet in width between Macy's and the new street (approximately 1/3 of this area is owned by Macy's).

An initial reason for the open space in front of Macy's was the underlying assumption that Macy's would never permit development in front of their store. To address this left over area it was designated in the 2003 DSP as an open space of approximately 0.45 acres with an expanded area of 0.75 acres with full closure of the adjacent Murphy Avenue segment. The DSP plan utilized the plaza as a design concept in support of the retail street designation for Murphy Avenue. However, when Macy's reviewed the proposed plan as a property owner project participant, they stated that they would not approve the use of the portion of this area which they owned for public open space; furthermore, they stated that they preferred that retail stores be developed between the face of their store and the new Murphy Avenue right-of-way.

Although the DSP acknowledges the need for open gathering spaces in the Downtown and includes the plaza in front of Macy's in a listing of design concepts, Staff believes the proposed plan is consistent with the design intent of the DSP for two reasons. First, the developer has provided a major central gathering place around the historic redwoods (one block south) and the City has constructed a large 1.6 acre plaza along Evelyn and Frances (two blocks northwest). Considering the existence of these two other significant open spaces and the ability to close the Murphy Extension for special events, the need for the area as a gathering space does not appear to be readily evident. Second, staff believes that retail at this location strengthens the continuity of Murphy Avenue as a retail street as was intended by the DSP. Continuous retail frontage will entice shoppers to continue to stroll along Murphy across Washington Avenue, thereby contributing to the integration of the Murphy Avenue extension with Historic Murphy Avenue. With retail on all four corners, the intersection of Washington and Murphy may be viewed as the "100 percent retail corner", a strong urban design link for the new and the old of an integrated Downtown.

Other Public Space

The streets and sidewalks in this project are considered pedestrian friendly amenities and contribute to the public use of the site. The streets will be used for public parking and vehicle access and are anticipated to be public property. The project has been designed to allow for special events by allowing for periodic closure of the Murphy extension and potentially the portion of McKinley abutting the Redwood Square. The parking garages have adequate entrances and exits to permit street closure in these locations.

The sidewalks on the periphery of the project will be located within public right-of-way; the sidewalks internal to the project will remain private property. With individual property the shopping district has more flexibility on types of uses allowed to "spill out" into the public realm than is allowed on public sidewalks. This will contribute to a lively streetscape, a primary goal of the DSP for the commercial core. Conditions of approval for incidental sidewalk uses require similar treatment as those on Murphy Avenue through approval of a Miscellaneous Plan Permit.

Concerns about 1st Amendment rights have been expressed by a few members of the public concerning the status of the sidewalks and square as privately owned property. An individual's 1st Amendment rights are only marginally restricted for the proposed shopping district as compared to public property due to the seminal case of *Robins v. Pruneyard Shopping Center* (1979) 23 Cal.3d 899. Shopping Centers with public gathering spaces are considered similar to publicly controlled places of assembly and treated as public forums in regards to the 1st Amendment. Restrictions of time, place, and manner may be instituted by the owner of the private property. Persons may not be disruptive to other users and are permitted only within common areas of the

commercial project. Activities in the streets themselves would be prohibited as is typical throughout the community, unless the streets were closed for a special event or assembly. As a mixed-use project the residential portions of the site may allow for stricter controls.

Parking

Issues related to parking include demand, supply, location, usage, type and configuration. The project has submitted a shared parking analysis by Fehr and Peers Transportation Consultants to determine the appropriate level of parking spaces. The Zoning Code encourages shared parking arrangements within Downtown and it does not have a parking ratio for mixed-use projects. The economies of scale come into play for a large project and are recognized in the Zoning Code with reduced standard parking ratios, on a per square foot basis, dependent on shopping center size. Staff believes that the application of either the discrete use parking ratios or a non-shared demand analysis results in excessive and therefore underutilized parking. The DSP identifies a goal of providing for shared parking in the downtown.

Shared Parking Analysis

The Parking Analysis addressed average weekday demand and "design" weekday and weekend demand. The term "design" in this instance refers to the industry practice of addressing parking demand for the 20th busiest shopping day of the year. This day is commonly in the month of December during the holiday shopping season. Parking for highest one-hour demand of the year is considered impractical for a project and inefficient for all other times of the year. The study analyzed the individual demand for the major uses of the project (office, cinema, restaurant, retail) throughout the day. The result of the hourly parking analysis was that the peak demand for the times studied was design weekday at 1PM Friday, followed closely by design weekend at 2PM Saturday. The target parking supply for the project was chosen as the peak demand period for the project, which is the design weekday. The peak demand includes a circulation factor of 5% above demand to allow for more efficient access and availability of spaces.

As part of the study, the restricted access residential parking was excluded and considered self parked with its 2 spaces per unit. The guest parking demand, as discussed above, is included in the parking demand and supply. The remaining uses are all categorized as shared parking demand and supply. The peak shared parking is calculated to have a demand of **5,060** spaces where **5,050** are provided. The average shared parking demand for weekdays is estimated at **4,662** parking spaces, roughly 8% less than design weekday, where **5,050** spaces are provided. A refined project description will reduce demand to equal peak design demand for the holiday season, if that is desired for the project. *(Table next page)*

Bicycle Parking

The applicant has indicated that residential units will accommodate secured bicycle parking in either the units or the garages and that secured bicycle

parking for employees will be located within the parking structures. Valley Transportation Association Bicycle Guidelines advise 20 guest bicycle parking spaces for the residential units, 46 bicycle parking spaces for retail customers, and 12 spaces for office visitors. Recommended employee bicycle parking is 36 spaces for the office component and 74 spaces for the other commercial employees. Bicycle racks will be placed in various positions within the project. Final bicycle parking locations will be reviewed by Transportation and Planning Staff as a condition of approval. Staff is recommending a total of 110 Class I spaces (secure) and 78 Class II spaces (open racks).

Generation Rates Design Weekday 1:00 pm (Holiday Season)

Block 18	Sq. Ft.	Parking Ratio	F&P Gross Demand	Individual Use Factor	Total with Use Factor
Retail	870,783	3.800	3,309	1.00	3,309
Restaurant	70,000	10.000	700	0.70	490
Office All	275,000	3.000	825	0.90	743
Cinema (seats)	2,950	0.25	738	0.30	221
Total Retail			5,571		4,763
Housing Guest*		0.25	73	0.77	56
Add 5% for circulations					241
<i>Total Shared</i>					<i>5,060</i>
Housing	292	2.00	584	1.00	584
<i>Guest Remainder</i>			17	1.00	17
Total Housing					601
TOTAL			6,228		5,661

*13% of guest spaces are in residential restricted

Note: Gross City Demand per Zoning Code is 6,900 spaces

Shared Spaces Needed 5,060

Total Spaces Needed 5,661

Total Spaces Provided 5,651 (10 Space Deficit)

Reserved for Residential 601

Shared Spaces 5,050

Site Layout:

The project is predicated on reestablishment of the historic street grid to the extent practicable allowing for integration of a variety of uses and different character throughout the project. The pattern of development for Block 18 is not designated for different portions of the site as would be done with traditional zoning regulations. The layout of the site is instead more form based, guided by street type and DSP guidelines and development standards for proposed uses. The project's proposed uses are generally located for future compatibility reflective of the type of use planned opposite of it. The exception would be the planned office corridor along Mathilda Avenue, which at buildout would be opposite (across a wide boulevard) of very high-density housing that is compatible in relative height and intensity of use. The most intense concentration of use is at the northwest quadrant of the site with other relatively significant intensity in terms of overall building height and activity at the central McKinley core area. The intensity of uses and heights gradually

decrease to lower levels to the south, with the lowest intensity of use at the southwest corner.

Downtown Integration

Block 18 is a principle piece of the downtown that is roughly 1/3 the acreage of the downtown and borders along 15 of the DSP blocks. Linkage to the other areas is an important feature of the design. The two most important adjacent areas with which compatible links must be established are the existing areas of commercial businesses North of Washington (including Historic Murphy Avenue and Town and Country) and the residential neighborhoods to the south. The DSP encourages unity in the downtown through application of enhanced Downtown Standard Streetscape Specifications and the developer will improve abutting street frontages to these standards.

The applicant has incorporated a pedestrian link directly from Parking Deck B to Washington Avenue at the intersection of Aries Way and provision of new traffic signals at the intersection of Taaffe Avenue and Murphy Avenue that will allow for controlled pedestrian crossings of Washington Avenue. The project has retail opposing the Town and Country retail and completes a 100% retail corner at the intersection of Murphy Avenue and Washington Avenue. The extension of Murphy Avenue itself flows seamlessly from the historic 100 Block into the new development with its centerline alignment of the roadway, alignment of the sycamore street trees, and wide sidewalks. The Macy's façade along Washington Avenue may be updated and continue to offer an entrance from Washington. Kiosks and directional signage relating to the multi-modal station one block from the site will also be included in the project.

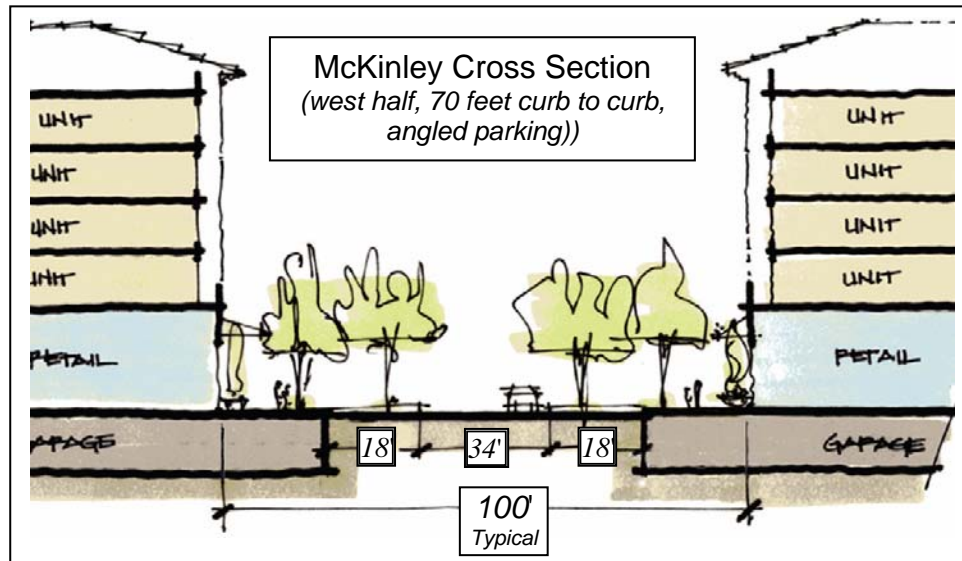
In consideration of the adjacent residential areas, neighborhood gateway features are to be provided at designated intersections. Residential uses are proposed along Iowa Avenue opposite of existing residential uses. Pedestrian connections will extend from Target along the new Murphy extension and the existing Taaffe intersection with Iowa Avenue.

Circulation/Streets

Washington Avenue is the primary entrance into the Downtown. Due to the piecemeal development of downtown, Washington Avenue currently has varying right-of-way sidewalk widths. The public improvement requirements of this project include a fair share of the improvements to the Mathilda Avenue intersection with Washington Avenue to allow for an additional turn lane (5 lanes total), a 15-foot typical sidewalk, new traffic signals at Taaffe and Murphy Avenues, and removal of the signal at the former Town Center Lane intersection. Of particular note is a pedestrian passageway situated across from Aries Way that permits access from the parking structure to the street. Sidewalks abutting Macy's will remain as is.

The reestablished **McKinley Avenue** serves as the primary entrance and "main street" for the proposed project. McKinley is designed as a pedestrian friendly "main street" with on-street parking, multiple crosswalks, a traffic circle

(roundabout) and wide sidewalks for pedestrians. Two pedestrian bridges are proposed over McKinley connecting the Redwood Square to the south-side retail, including Target, and the Cinema. The primary issue for Staff relates to the width of sidewalks and the proposed angled parking. Staff agrees that on-street parking is essential to creating an appropriate downtown streetscape; staff differs by recommending parallel rather than angled parking as proposed.

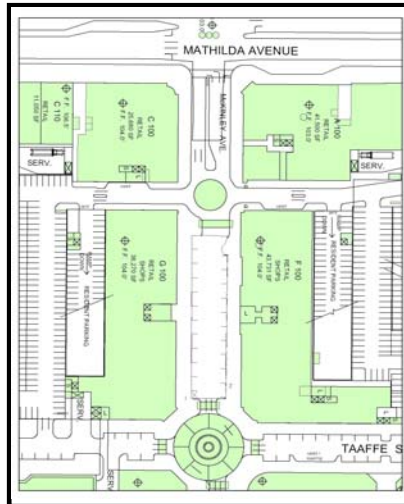


Angled Parking

The applicant has proposed angled parking in response to two primary issues, quantity and quality of spaces. Originally the project had angled parking for all streets in the project; in response to staff and other input, the other streets have been modified to parallel parking and parking has been removed completely in front of the Redwood Square. The applicant feels strongly that angled parking should be provided along McKinley Avenue. The applicant argues that angled parking, as compared to parallel parking, is preferred by the merchants, is easier for customers to use, and provides more on-street spaces close to the stores. Angled parking has historically been used in a variety of downtown settings, including Town and Country in Sunnyvale, and downtown Los Altos.

The applicant has provided two schematics to the City on the angled parking layout for the street. The original had a 60-foot curb-to-curb section for parking on both sides and travel lanes, allowing for a typical 20-foot sidewalk. The current proposal of 70-foot curb to curb was submitted in response to maneuvering concerns of the Transportation Division. The current design with parking on both sides has reduced typical sidewalk widths to approximately 15 feet. The applicant would prefer approval of the 60-foot section with wider 20-foot sidewalks based on their experience of design adequacy and preferred pedestrian friendly wider sidewalks.

Parallel Parking
50-foot Curb to Curb



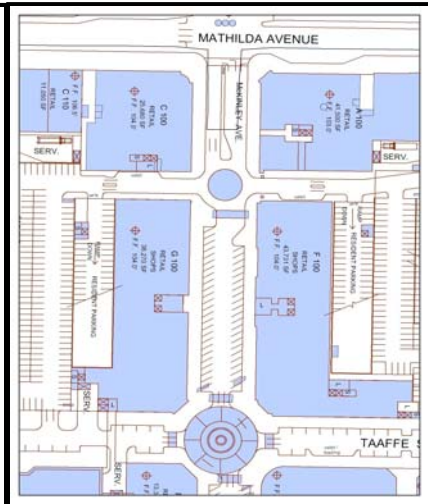
25-foot Sidewalk Typical

Angled 60° Parking
70-Foot Curb to Curb



15-foot Sidewalk Typical

Angled 60° Parking
60-Foot Curb to Curb



20-foot Sidewalk Typical

Contrary to the applicant's proposal for angled parking, the Transportation and Traffic Manager has determined that on-street parking on McKinley Avenue is appropriate as parallel parking. A parallel parking configuration would result in a 50-foot curb-to-curb section and 25-foot sidewalks within the 100-foot distance between buildings. The Transportation and Traffic Division believes that diagonal parking would conflict with the safe and effective functioning of McKinley Avenue as the primary access and central circulatory focus of the proposed development. Although the minimum angled parking dimension of a 70-foot curb-to-curb section, which includes space for bikes, is proposed by the applicant, there remains issues of traffic volume and pedestrian design needs. There is substantial evidence in the traffic engineering literature that diagonal parking increases the collision risk on streets with traffic volumes such as those anticipated for McKinley Avenue. Diagonal parking is operationally inefficient from the standpoint of traffic flow, and traffic flow is essential to this primary circulation corridor.

Furthermore, principles of pedestrian and bicycle friendly design encourage narrower street sections and wider sidewalks; for example the VTA Pedestrian Technical Guidelines call for 10'-11' travel lanes and 16'-18' sidewalks with parallel parking (no bike space) in downtown main street areas. The Transportation and Traffic Manager believes that safe angle parking would necessitate the minimum of 70 feet curb-to-curb, which includes space for bikes. The current plan has provided the 70 feet cur-to-curb with 15-foot sidewalks. Restricted sight lines for drivers also make diagonal parking dangerous for passing bicyclists. Staff believes that diagonal parking with the expanded curb-to-curb width and moderately wide sidewalks will create an automobile-dominated environment, contrary to the goals of the Downtown Specific Plan. Staff is concerned that the amount of pavement, the barrier of

banks of diagonally parked cars, and presence of a significant concentration of cars circulating in an unsafe manner in what is effectively the core of the development will discourage the intended comfortable pedestrian activity.

The applicant's traffic consultants have responded to the issue of parallel versus angled by noting that the industry literature has a mixed opinion with journal articles reaching opposite conclusions on the effect on operations and safety. The applicant would note that an entrance to the parking garage for inbound traffic from Mathilda Avenue is before the presence of angled parking and the exit from the parking garage for outbound traffic is after the angled parking going east, thereby reducing the volume of vehicles through the angled parking section. Staff concludes that the examples cited by the applicant's consultant and the applicant do not apply to the intended and expected function of McKinley Avenue.

If angled parking were approved, staff recommends that landscaping and breaks to the long line of cars be incorporated; at a minimum a few spaces would be lost to these types of landscaping enhancements. If staff's recommendation for parallel parking were approved, the applicant estimates a loss of an additional 50-55 spaces from the conversion on McKinley. The applicant estimates that replacement of these parking spaces in the structures, if feasible, would cost between \$750,000 to \$1,250,000.

The Bicycle and Pedestrian Advisory Committee viewed the Forum redevelopment plans at its September 18, 2003 meeting. The Committee recommended that angled parking was inappropriate for bicyclists and should be eliminated.

The **Murphy Avenue extension** creates a vital link between the existing "heart" of downtown, 100 Block of S Murphy Avenue, and the redevelopment of Town Center Mall. Currently, Murphy Avenue ends at a "T" intersection with Washington Avenue; an offset driveway then enters a surface parking lot. The proposed extension aligns with the centerline of the existing street creating a new four-way intersection with a new traffic signal. The Murphy extension's street widths, parallel parking, sidewalks, building lines, and sycamore trees also will replicate existing conditions creating a mostly seamless transition. Two pedestrian bridges are proposed from the new parking structure across Murphy Avenue. The first bridge is near the Washington intersection allowing direct access to Macy's and the second bridge is near the McKinley intersection and provides access to Redwood Square and the cinema across McKinley. Staff recommends a condition that the Macy's bridge be moved further south from the intersection as is feasible, resulting in the bridge location on the south side of the Macy's entrance, to reduce its appearance from Historic Murphy Avenue.

The new parking structure at this corner has entrances and exits on both Murphy and Sunnyvale Avenues. The design of the garage with multiple exits onto Sunnyvale Avenue will allow for periodic closure of Murphy Avenue as needed for special events, such as an expanded Farmers Market or Art and Wine Festival.

Murphy Avenue also extends past McKinley Avenue and underneath the proposed cinema to create a complete north south vehicle and pedestrian link to Iowa Avenue, where it terminates into a realigned "T" intersection. The northwest corner of the Deck D "Target Parking Structure" will be reconstructed with an enhanced pedestrian entrance to the garage. Target's "front door" will be located off of the Murphy extension. Staff recommends that a more pronounced pedestrian connection be provided from the Target entrance to Iowa Avenue and is included as a condition of approval. The pedestrian connection may alter the proposed new 90-degree parking configuration.

The realigned **Taaffe Avenue** is considered a secondary access street to the project and has minimal commercial presence on the street. A new traffic signal will be included at the Washington Avenue intersection. Primary parking structure entrances exist on this north/south connector. Sidewalks range in width from 10-15 feet. The existing second story access to Target will be moved closer to the McKinley intersection with a new pedestrian bridge. To the north there are two pedestrian bridges that appear to be somewhat redundant for this segment. The first bridge is curvilinear and provides direct access to Macy's and the second bridge is located approximately mid-block to provide access to Redwood Square.

Parking

Parking is distributed well across the site by providing structures at the four corners of the project. *(Table next page)* Locating the parking at the periphery of the project allows for more convenient vehicle access and fewer vehicle interruptions to the pedestrian friendly environment at the core of the project. A minimum of two entrances/exits is recommended and provided for each structure in excess of 500 spaces. Ground level pedestrian exits are distinct from the vehicle exit lanes.

The applicant has requested a deviation to the parking dimensional standard for commercial aisle width. The zoning code requires two-way travel aisles of 26 feet for commercial and 24 feet for residential. The project includes a minimum of 24-foot commercial and residential aisles and meets the minimum stall width and depth requirements of 9 x18 feet. Staff supports the deviation request in consideration of the design as underground and structured parking and the fact that the project, as proposed, does not utilize any of its 10% compact space allowance.

Parking Distribution (Site Plan information 7-20-04)

Deck A - SW	Total 1386	24.5%	Deck B - NW	Total 1892	33.5%
Underground - Office	296		Underground - Office	625	
Underground - Residential	224		Underground - Residential	297	
Grade Level - Residential	44		Grade Level Retail	277	
Grade Level	245		2nd Floor	0	
2nd Floor	308		3rd Floor	347	
3rd Floor	269		4th Floor	346	

Deck D/Target - SE	Total 901	15.90%	Deck C/Macy's - NE	Total 1257	22.2%
Underground - Retail	225		Grade Level	186	
Grade Level Retail	229		2nd Floor	0	
2nd Level Residential	36		3rd Floor	340	
2nd Level	188		4th Floor	357	
3rd Level	223		5th Floor	374	

-Total Parking Provided: 5651 spaces

-Underground Parking: 1675 spaces (30%)

-Residential Reserved: 601 spaces

-On-street parking: 215 spaces (3.8%), with the angled parking

In an effort to address efficiency of parking for both the project and the downtown area as a whole, Staff is recommending a condition of approval for an integrated dynamic parking supply availability signage system. Such a system would be able to indicate space in parking garages on a real time basis, thereby reducing the time needed to search for parking spaces as a driver enters the downtown. Increased efficiency would address, in part, issues of congestion and to a limited degree cumulative air quality impacts. Due to the potential significant cost to create a system for the whole parking district area, the condition requires investigation of the feasibility of implementing the system. Grant program opportunities may be available to assist in developing the system.

Landscape/Hardscape

The project integrates high quality landscaping interspersed throughout the site combined with interesting variations of colors and textures in the hardscape materials. The two chief vegetative features are the canopy of street trees and the central Redwood Square open space with the preservation of the historic redwoods. The street trees are varying species chosen to provide diversity of color, shade, compatibility with sidewalks, and are proposed at a substantial 48-inch box size. Final species and size are subject to City Arborist approval. Potted plants of varying sizes and types will also be included in the project. The project includes approximately 180,000 square feet of landscaping. There is no minimum landscaping requirement for this block of the DSP.

The residential units will include landscaped courtyards on the upper level of the podium parking structure internal to the McKinley Flats. Staff has required as a condition of approval a supplemental landscape plan which will include an appropriate landscaping and space buffer between the residential units and the top deck of the new parking structures.

The hardscape will include enhanced pavement and decorative features at street intersections and in the sidewalk. Enhanced pedestrian crossings will also be provided as an amenity. Landscaping and decorative features will also be included to address concealment of ground level exposed parking structures along Taaffe Avenue and Sunnyvale Avenue.

Other efforts to unify the downtown design and soften the environment will include enhanced streetscapes with benches and ornamental tree grates and light fixtures in accordance with the Downtown Standard Streetscape Specifications. These features are typified by the recent enhancements along the Mozart buildings' frontage and the new downtown plaza street frontages.

Public Art

The applicant is required to provide public art for this project. A minimum of 1% of the construction valuation of the project is earmarked for providing public art. Multiple pieces of art will be incorporated into the project. The names of individual artist(s) and specific pieces of art or locations, other than the proposed fresco at the top level of the cinema along McKinley, are not known at this time. The Arts Commission will review specific art proposals as a subsequent application to a project approval.

Stormwater Management

Although the current Town Center Mall is estimated to be 97% impervious surface, the project is required to implement stormwater treatment measures in the redeveloped project. The preliminary treatment plan indicates that impervious surfaces will be reduced by 4-8% and will include Best Management Practices (BMP) for both water quality and rates of flow. The primary BMP are multiple CDS Technology brand underground devices that hold and treat water prior to entering the public storm water system. A final third-party certified plan is required prior to the issuance of building permits. The property owner is responsible for ongoing operation and maintenance of the system.

Architecture:

The mixed-use project proposal is unique for Sunnyvale and is part of a national trend to return to the downtown settings of cities. This mixed-use project is modeled after historic development patterns of cities that incorporated a variety of uses for shopping, working, socializing, and living while addressing the modern day demands of automobile parking and amenities.

As a whole the project achieves the DSP guidelines for building orientation, location of uses, and design diversity quite well. The applicant has responded throughout the past year to community, City Council, Planning Commission, and Staff input on the design of the project. As a result, modifications have been made to the office space location and style, diversity of housing unit types

with increased articulation, parking configuration, and variable roof forms and materials. Representative elevations and materials notes are provided by the applicant in Attachment 5 and 6. Perspective drawings and renderings are also provided to better illustrate the details and character of the project.

Although the project adequately represents the pattern of use, heights, and stylistic elements of the different areas of the site, complete and detailed elevations have not been completely developed. The normal method of review for final design details is for Staff to perform the review. In certain instances requiring significant revisions or further development of the design concept, the Planning Commission will finalize the design details as part of their function as public review body of land use actions. Therefore Staff recommends as a condition of approval that significant individual areas of the project receive additional refinement and be returned for final design review by the Planning Commission as detailed below. If preferred, the City Council could assume the role of the Planning Commission and hold the public hearing on the final designs.

Mixed Use/Residential

Staff believes that the detailed perspectives and elevations for the residential components of the project along Iowa Avenue, McKinley Avenue, and Washington Avenue have appropriately addressed preliminary design concerns of building height and building variation (including: windows, railings, architectural style, balconies, etc.); the design is sufficiently developed that only traditional final detail approval by Staff is required. An important consideration for the mixed-use McKinley and Washington buildings is the integration of the upper level residential with the base retail level. Staff has included a condition that the base retail level have common unifying architectural elements for a cohesive design as represented in the perspective drawings (Attachment 5). Individual tenant improvements and signage for the retailers will be permitted within this basic building shell design of materials and building rhythm. More significant individual tenant modifications may be approved through a Miscellaneous Plan Permit review. This conforms to DSP Design Guidelines for facades relating to maintaining the building shell but allowing for individual tenant expression.

Redwood Square

Redwood Square is the commercial center of the project and an open activity area for patrons of the downtown. Staff believes this area has two key design emphases: 1st the softness and greenness of the redwood trees and landscaping, which should be the dominant design influence; 2nd the form of the surrounding buildings should define the space of the square and should have the appearance of separate buildings, reminiscent of a traditional town square. The applicant has created an interesting Spanish style building on the east side of the square inspired by the former City Hall that includes an upper open-air balcony. The other buildings are 2-story retail buildings with open connected walkways surrounding the square. Across McKinley the cinema is set above two levels of retail and extends to a height of 80 feet.

Although representative sketches have been provided, Staff believes that the design of most of the structures and the landscaping concept are not sufficiently developed for this centerpiece of the project to be approved at this time. The cinema architectural details are well done to the south of the square. However, staff has some concern regarding the final details of the cinema entrance and layout and design of the food court. The overhang of the cinema onto McKinley as a looming feature concerns staff as well.

Regarding the Redwood Square buildings, staff has included a design condition of approval that the 2nd story walkways have a more formal arcade style for the northern building and that the buildings be linked only by modest pedestrian bridges as to emphasize the distinct individual building character. The lower level may function as either an arcade or become retail floor area. The cinema overhang is recommended to be eliminated by moving the entire cinema footprint back to cantilever over the south (rear) face of the retail buildings rather than McKinley. The complete Redwood Square area, including the south side of McKinley, shall return to the Planning Commission for a subsequent final design public hearing. Staff recommends that the final landscaping details for the square and the architecture be combined for the hearing. The applicant has submitted a shadow analysis for Redwood Square that demonstrates satisfactory solar exposure and no further analysis is needed.

Mathilda Office

The applicant has provided elevations of the proposed office buildings extending along Mathilda Avenue. The buildings have ground floor retail with three stories of office above. There are three proposed buildings with a stand-alone individual building at the corner of Mathilda and Washington Avenues. The building design is currently represented to read as four buildings when viewed from Mathilda Avenue. The buildings range in height from 60 to 65 feet to the top of the parapet for the northern buildings and as high as 75 feet for the gabled roof of the office building to the south. The maximum height limit to the peak of the roof is 75 feet.

Staff believes that additional detail information and a perspective of the building articulation is required for final approval. Staff recommends that a rounded architectural corner feature be reincorporated into the design; that the design features of the office building at the corner of Washington and Mathilda be reviewed for enhanced character as a distinct building at the gateway to downtown and as an appropriate transition from the contemporary design influences of the Mozart buildings; that strong cornice details and variation in parapet height between the two façades of the building north of McKinley; and, that the southernmost building receive additional treatment to provide variation to its Mathilda façade through either building articulation, materials, roof form, or some combination of techniques. The detailed plans shall include mechanical equipment in their design to ensure adequate and architecturally compatible screening. Staff recommends that these detailed and revised plans return to the Planning Commission for a subsequent final design public hearing.

Murphy Extension

The Murphy extension has a south and north half split by McKinley Avenue. The south half functions primarily as a service street and is Target's primary design concern. Staff recommends that the final details and site features be approved at the standard staff level for the south section extending to Iowa Avenue.

The north extension of Murphy Avenue stretching to the 100 block of S Murphy Avenue is the vital link of the project to the current downtown. The layout of the street will include the same features and proportions of the 100 block as discussed in the circulation section. The architectural features of this block are significant to the community and this segment is the building block that must integrate the old with the new for downtown. The 100 block of Murphy can be categorized as an eclectic combination of styles that has a mostly constant building façade of 2-story buildings with narrow, 25-foot storefronts. Integration of this building pattern into the extension of Murphy is the goal for this section of the project.

The west side of the Murphy extension includes new 2-story retail buildings around the Macy's entrance, Macy's service area, an entrance to the Redwood Square buildings, and finally the city hall inspired building with a service area. The east side of the street includes corner retail with a 2-story façade and additional 2 levels of parking structure, a gap in the ground level façade for parking garage entrance, and open ground-level parking spaces across from Macy's (Macy's design preference), and again retail facades extending to McKinley.

Staff does not believe the pattern as described is an adequate adaptation of the existing development pattern of the 100 Block. The two primary concerns relate to the building rhythm and gaps in facades for service areas, entrances, and parking, and the upper level parking structure treatment. Staff is recommending additional architectural treatments incorporated into the upper-level parking, creation of a strong building presence at the Washington Murphy corner, thoughtful design integration of service areas (conditions of approval require a waste/recycling consultant to review service area needs and access points for the entire site), reduced apparent building gaps for a more continuous ground level façade, application of a higher level of Murphy Avenue design guideline features to the individual tenant spaces, removal of the escalators protruding out onto the Murphy Avenue sidewalk, and a perspective drawing to demonstrate building articulation and details prior to final plan approval. These comments shall be considered applicable to the Washington Avenue facades near the Murphy intersection. Final design approval shall be at a Planning Commission public hearing.

Other significant features of the block are the 2nd-story pedestrian bridges. These features are a difficult design element with two different options. The first option is to use the bridges as a character device with quality and

interesting detail work; or the second option is to take a minimalist approach attempting for low profile bridges that may blend into the background. Staff recommends approaching the bridges as an opportunity for enhanced character throughout the project.

Sunnyvale Avenue/ Parking Structure (Deck C)

The Sunnyvale façade of the parking structure requires extensive additional design work. The parking structure is approximately 44 feet high with a five-foot setback from Sunnyvale Avenue. The design appropriately has the parking levels parallel to ground with internal ramps, but the Sunnyvale façade appears to have a stark appearance with a hard edge at the property line. The proposed façade treatment and landscaping are not adequate to soften its appearance. The site restrictions of the block create a deck that is narrow and provides few options for creative design to address these issues without impacting the needed parking. However, staff recommends that options for setting back the upper level of the garage be investigated along with refined design detailing that has quality materials of high visual interest in terms of color and texture, façade treatments, and landscaping.. The revised plan and final design details shall be approved at a Planning Commission public hearing.

The remainder of Sunnyvale Avenue south of McKinley will be similar to the architecture represented for the Iowa town homes and McKinley 2-story retail. The final design details are recommended to be approved at staff level.

Taaffe Avenue

As a secondary access street to the project, this part of the project is not an area requiring significant architectural work. The commercial uses at the corner of Taaffe and McKinley Avenues create an architecturally significant point. Staff believes that the elevations at this corner and the enhanced traffic circle treatment create a high quality and interesting design. The primary areas for additional design treatment along Taaffe Avenue are the treatment at the ground level of parking structures, Target's blank façade and lack of windows or an entrance, and the octagonal buildings at the peripheral intersections. In regards to Target, it is highly unlikely that an entrance would be incorporated into the design due to the layout of the store and its impact on merchandising and security, therefore, alternative features will need to be considered.

Conditions of approval requiring quality materials of high visual interest and landscaping features should adequately address the concerns for the pedestrian experience along Taaffe Avenue. The octagonal buildings are a different concern. The south building is located over utility easements and may not be able to be constructed as currently situated. The north building is set away from the utilities. Staff recommends requiring that the north building be required to have 2-story height to be compatible with the adjacent Macy's. Staff recommends that final design review for Taaffe Avenue be conducted at the staff level.

Other Requirements:**Tentative Map**

A subsequent land use action is required prior to final plan approval of the project. A subdivision tentative map must be submitted for review for creation of ownership for both the housing and commercial portions of the project. As part of the tentative map review, easements and utility services shall also be reviewed. The vacation of Barson Terrace right-of-way shall be addressed to accommodate the proposed building locations. A condition of approval requires submittal of a Tentative Map application prior to final design approvals and recordation of a Final Map prior to issuance of building permits.

Transportation Impact Fee

The proposed project has a net increase of trips beyond the levels of the currently permitted uses for commercial, office and housing units and is subject to the Citywide Transportation Impact Fee. The fee estimate for the project is \$1.5 million.

Compliance with Development Standards

The project conforms to practically all of the development standards for the site. Two deviations are requested and supported by staff. The two previously discussed items are a deviation for a reduction in minimum lot size to allow for ownership housing and a deviation for commercial 90 degree parking aisle width of 24 feet where 26 feet is required.

Expected Impact on the Surroundings

Staff finds the overall impacts to be beneficial to the surrounding uses; the project and will revitalize a decayed shopping center and contribute to the downtown vitality. There will be an increased level of traffic and activity beyond the level of even the former fully-occupied Town Center Mall. Neighborhood gateway features are incorporated into the street improvement requirements and will appropriately address neighborhood traffic and parking concerns. The addition of people, both as residents and patrons, will produce the DSP desired goal of increased vitality and is expected to enhance the existing commercial business viability through the influx of people, thereby improving the general welfare of the downtown. The DSP acknowledges that architecturally the downtown is in a period of transition, and this statement will be embodied in the redeveloped site that is more intensive than its current surrounding uses, Mozart buildings excepted. The future uses planned for the adjacent blocks are consistent with the proposed design.

Construction Management Plan

The most immediate impact on the surrounding areas would be the demolition of the mall and the subsequently the new project construction. The estimated timetable from start to finish for the project is a minimum of 18 months. The potential noise and dust impacts were recognized as potentially significant and addressed in the Program EIR. A detailed construction management plan that identifies routing, parking, hours of operations, involvement of existing businesses, and site management techniques is required as a condition of approval.

Findings, General Plan Goals and Conditions of Approval

Staff believes that the proposed project supports the vision of the Downtown Specific Plan: to create “an enhanced, traditional downtown serving the community with a variety of destinations in a pedestrian-friendly environment”. The sensitive mixing of retail, office and residential uses creates a traditional downtown dynamic, providing opportunities for living, working, shopping and entertainment. The isolation of an interior-oriented mall is replaced by an open-air shopping district on recreated public street grid, thereby integrating the new development with the historic Downtown. All of the residential units are intended for owner occupancy. The plans, elevations and materials boards submitted to date indicate the developer’s intention to undertake a project of high quality design.

The benefits of the project to the City of Sunnyvale are significant in terms of financial gains (tax revenue), as a tool for revitalization of downtown, provision additional needed housing units, supportive of smart growth mixed-uses near the multi-modal transit station, and convenient community serving commercial uses.

Staff was able to make the required Findings based on the project description, justifications, supplemental studies and the above analysis for the Special Development as conditioned below.

- Findings and General Plan Goals are located in Attachment 1.
- Conditions of Approval are located in Attachment 2.

Fiscal Impact

The completed project is estimated to generate approximately \$2.0 million per year in new sales tax for the City’s General Fund. It will also pay a one-time construction tax of approximately \$450,000. In addition, Fourth Quarter will pay the City nearly \$1.55 million of fees for services associated with construction plan check and inspection and processing of planning permits. Project costs related to public improvements and connection fees are collected at the time of development by the Public Works Department. Other impact fees related to off-site conditions for park development and citywide traffic improvements are estimated to total \$3 million. School impact fees for

Sunnyvale School District and Fremont Union High School are estimated to total \$1.2 million.

The project is located within the Sunnyvale Central Core Redevelopment Project area. Property Tax Increment associated with redevelopment of the site goes to the Sunnyvale Redevelopment Agency to be used for appropriate public investment in revitalizing the downtown area. This project will result in an estimated \$4.0 million of annual property tax increment to the Redevelopment Agency.

With regard to ongoing service costs to the City, both Public Works and Parks and Recreation estimate that there will be no or minimal increases in demand for general City services. The City's utility rates for water, sewer, and refuse cover all ongoing costs for these services on a full cost recovery basis. Impacts to police and emergency services have been minimized with requirements for private security personnel on-site. Revenues from the additional sales tax are expected to substantially exceed projected additional costs of all services provided by the City, including additional Public Safety service.

Detailed analysis of fiscal impacts and benefits is discussed in a related separate proposed agreement, Disposition and Development and Ownership Participation Agreement, subject to Redevelopment Agency Approval. This item will be reviewed at a public hearing at the joint City Council and Redevelopment Agency meeting of August 17, 2004.

Public Contact

Notice of Negative Declaration and Public Hearing	Staff Report	Agenda
<ul style="list-style-type: none"> Published in the <i>Sun</i> newspaper Posted on the site <u>2500</u> mailed to the property owners and tenants within expanded 500 ft. of the <u>Downtown Specific Plan Boundary</u> 	<ul style="list-style-type: none"> Posted on the City of Sunnyvale's Website Provided at the Reference Section of the City of Sunnyvale's Public Library 	<ul style="list-style-type: none"> Posted on the City's official notice bulletin board City of Sunnyvale's Website Recorded for SunDial

The public outreach for this project included three study sessions each with the City Council and Planning Commission and a general site plan overview by staff with the Bicycle and Pedestrian Advisory Committee in the fall of 2003. Two public outreach meetings were held by the Planning Commission in conjunction with the developer in April. These meetings were taped and replayed on KSUN. The presentation materials were made available to the public via the City's website. The combined attendance for these two meetings was over 500 persons.

The applicant has met with the Downtown Business Association on June 10th and with the Friends of Sunnyvale informally on numerous occasions. On June 11th a design charrette was held for interested parties concerning the details of the Redwood Square design; it was attended by approximately 15 persons. Planning Commission and City Council Study Sessions were held within the past eight weeks. Two Open House meeting with the developer and staff are scheduled for review of the entire project at the Heritage Center on August 2, 2004.

Alternatives

1. Adopt the Mitigated Negative Declaration and approve the Special Development Permit with attached conditions.
2. Adopt the Mitigated Negative Declaration and approve the Special Development Permit with modified conditions.
3. Adopt the Mitigated Negative Declaration and deny the Special Development Permit
4. Do not adopt the Mitigated Negative Declaration and direct staff as to where additional environmental analysis is required.

Recommendation

Staff is able to make the required findings and recommends forwarding Alternative 1 to the City Council.

Prepared by:

Kelly Diekmann
Project Planner

Reviewed by:

Trudi Ryan
Planning Officer

Reviewed by:

Robert Paternoster
Director of Community Development

Attachments:

1. Recommended Findings
2. Recommended Conditions of Approval
3. Negative Declaration
4. Site Plans
5. Perspective Drawings
6. Architectural Plans
7. Project Description and Justifications
8. Cinema Statistics
9. Supplement Studies On File (Circulation, Parking, DSP Utilities, Downtown Improvement Program Update Final EIR)